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ABSTRACT

Until recently, corporations of all kinds, including educational institutions, were hierarchical structures. Today, the most successful private sector corporations are flexible collectives of teams and production units. To achieve this success, covenantal relationships, based on a shared commitment to ideas, values, goals, and management processes are established. While most public sector organizations have remained untouched by these developments, some colleges in British Columbia, such as Capilano College (CC) have voluntarily begun establishing covenantal relationships, and the provincial government has rewritten enabling legislation to force consultation among faculty, staff, students, administration, and boards of governors. Bill 22, the new legislation, changed the structure of community college governing boards from all government appointees to a mix of appointees, faculty, staff, and students. It also created an educational council of faculty, staff, students, and administrators to advise the board. The legislation is an attempt to capture in law, the character and spirit of covenantal employee relationships. At CC, the board voted even before the passage of Bill 22 to bring in members from the college community as "ex-officio" members of the board, including one representative each from the faculty, staff, student body, and non-executive administrative group. It is essential that college boards adopt practices of participative management to deliver the quality of services that consumers need and want. (KP)

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# Altering Governance

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Douglas Jardine

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Paper presented at a Community College Symposium held at the University of Arizona (Tucson, AZ, March 3, 1995).

JC 950 155

an abstract

**ALTERING GOVERNANCE**

by

Douglas K. Jardine

for presentation, March 3, 1995

Until recently, corporations of all kinds, including educational enterprises, were hierarchical structures. The modus operandi was command and control from the top down.

Today, the most successful private sector corporations are nimble collectives of teams and production units. They are no longer hierarchical in nature, depending instead on the creative input of their employees for their success.

To achieve this success, employees and management have entered into covenantal relationships, effectively diluting the supremacy of the earlier and still continuing contractual relationships.

These covenantal relationships are based on a shared commitment to ideas, values, goals, and management processes. They allow and encourage the organisation's people to make the organisational changes necessary to respond effectively to the rapidly changing social and economic environment. It is these changes which ensure continuing corporate success.

Most public sector organisations, however, have remained untouched by these developments. Yet, the evidence is clear: Educational enterprises are going to be forced to change by the drying up of the public purse. This is the equivalent of an organisation going bankrupt.

In British Columbia, Canada, some colleges have voluntarily begun establishing covenantal relationships. And, because some colleges continue to cling to their hierarchies, the provincial government has rewritten the enabling legislation to force consultation among faculty, staff, students, administration and boards of governors.

This paper presents the private sector background and context as a means of interpreting the province of British Columbia's recent revisions to its enabling legislation for community colleges. The key element in these revisions is the legislated changes to governance structures.

The paper also reports on how one college has been "learning its way" into these changes.

# ALTERING GOVERNANCE

a presentation to

The Community College Symposium:

**Organisational Change in a Changing Environment**

at the

University of Arizona, Tuscon

Friday, March 3, 1995

BILL 22 WHICH ALTERS THE GOVERNANCE STRUCTURES OF THE COMMUNITY COLLEGES IN THE PROVINCE OF BRITISH COLUMBIA WAS DEBATED AND PASSED IN THE PROVINCIAL LEGISLATURE IN THE FALL OF 1994 AND PROMULGATED ON JANUARY 15, 1995.

THIS BILL MAKES A SIGNIFICANT CHANGE IN THE STRUCTURE OF THE GOVERNING BOARDS OF THE PROVINCE'S COMMUNITY COLLEGES. IT ALSO LEGISLATES THE EXISTENCE OF AN EDUCATIONAL COUNCIL, THEREBY ADDING A NEW PIECE TO THE ORGANISATIONAL STRUCTURE OF COLLEGES.

THE ORIGINAL ENABLING LEGISLATION FOR COMMUNITY COLLEGES IN B.C. DATES BACK TO THE MID-SIXTIES AND WAS A DIRECT OUTGROWTH OF THE LEGISLATION GOVERNING THE K - 12 SYSTEM.

IN THE BEGINNING, GOVERNING BOARDS VARIED IN SIZE FROM COLLEGE TO COLLEGE, BUT EACH BOARD HAD FIFTY PERCENT PLUS ONE OF ITS MEMBERS APPOINTED BY THE PROVINCIAL GOVERNMENT AND THE REST WERE SCHOOL TRUSTEES APPOINTED BY AND FROM THE ELECTED SCHOOL BOARDS WHICH CONSTITUTED THE COLLEGE'S REGION.

LATER ON, THE SCHOOL TRUSTEES WERE REMOVED FROM THE COLLEGE

BOARDS AND ALL MEMBERS WERE APPOINTED BY THE PROVINCIAL GOVERNMENT.

NOW, UNDER BILL 22, A GOVERNING BOARD IS DRAWN FROM GOVERNMENT APPOINTEES, MEMBERS OF FACULTY, STAFF AND STUDENTS. IN ADDITION, THE NEWLY CREATED EDUCATIONAL COUNCIL, MADE UP OF FACULTY, STAFF, STUDENTS AND ADMINISTRATION, HAS AUTHORITY OVER A VARIETY OF MATTERS PREVIOUSLY SEEN TO BE THE PURVIEW OF ONLY EITHER THE ADMINISTRATION OR THE BOARD. FURTHER MORE, THERE ARE MATTERS ON WHICH THE EDUCATIONAL COUNCIL IS OBLIGATED TO ADVISE THE GOVERNING BOARD AND THERE ARE MATTERS ON WHICH THE GOVERNING BOARD MUST SEEK THE ADVICE OF THE GOVERNING COUNCIL.

THIS LEGISLATION, AS I SEE IT, IS AN ATTEMPT BY GOVERNMENT TO CAPTURE IN LAW THE CHARACTER AND SPIRIT OF EMPLOYEE RELATIONSHIPS THAT SOME SUCCESSFUL CORPORATIONS HAVE BEGUN TO PRACTICE AND WHICH MANAGEMENT COMMENTATORS AND AUTHORITIES HAVE LABELLED "EMPOWERMENT." FROM MY EXPERIENCE THIS MOVE TO INVOLVE EMPLOYEES IS A NECESSARY INGREDIENT TO THE SUCCESSFUL OPERATION OF PUBLIC SECTOR ENTERPRISES OF ALL KINDS.

SO, LEST THERE BE ANY DOUBT ABOUT WHERE I STAND ON THIS LEGISLATION, MY BOTTOM LINE IS THAT IN SPITE OF ITS FLAWS I SUPPORT IT AND WELCOME IT.

TRUTH TO TELL, THE LEGISLATION SHOULD NOT HAVE BEEN NECESSARY. BOARDS OF GOVERNORS WHOSE HIGHEST MORAL OBLIGATION I THINK IS TO GOVERN THEIR INSTITUTIONS, NOT TO MANAGE THEM, SHOULD

KNOW THAT YESTERDAY'S BEST PRACTICES IN MANAGEMENT AND GOVERNANCE ARE BEING REWRITTEN COMPLETELY IN THE MOST SUCCESSFUL OF TODAY'S PRIVATE SECTOR ENTERPRISES. EQUALLY, SENIOR MANAGERS IN OUR COLLEGES SHOULD KNOW THESE FACTS OF BEST-PRACTICE MANAGEMENT AND SHOULD BE ADOPTING AND ADAPTING THEM FROM THE PRIVATE SECTOR TO THE NON-PROFIT BUSINESS OF EDUCATION. SO, I SEE THIS LEGISLATION AS EVIDENCE OF OUR FAILURE TO CHANGE AND IMPROVE OUR MANAGEMENT PRACTICES VOLUNTARILY IN THE FACE OF A GROWING UNDERSTANDING OF HOW BEST TO MANAGE IN DIFFICULT AND FAST CHANGING TIMES.

THE MANAGEMENT AND BUSINESS LITERATURE – AS OPPOSED TO THE EDUCATIONAL LITERATURE – IS REPLETE WITH ARTICLES AND BOOKS WHICH NOT ONLY DOCUMENT THE CHANGES, BUT POINT TO THE LIKELY PATHS ALONG WHICH CONTINUED CORPORATE SUCCESS WILL BE FOUND.

I AM REFERRING HERE TO AUTHORS FROM THE ACADEMY SUCH AS BURT NANUS, WARREN BENNIS, HENRY MINTZBERG, PETER DRUCKER, PETER SENGE. I AM ALSO REFERRING TO AUTHORS WHOM I THINK OF AS COMMENTATORS ON THE STATE OF MANAGEMENT AND GOVERNANCE SUCH AS JOHN NAISBITT, TOM PETERS, MICHEL ROBERT, MAX DEPREE, CRAIG HICKMAN, MICHAEL KAMI, JOHN CARVER, CHARLES HANDY. IN ADDITION, YOU HAVE THE MULTITUDE OF ARTICLES IN PUBLICATIONS SUCH AS THE "HARVARD BUSINESS REVIEW," "THE SLOAN MANAGEMENT REVIEW," "FORTUNE MAGAZINE," AND OTHER SIMILAR PUBLICATIONS THAT DESCRIBE THE CHANGING ENVIRONMENT AND THE NEED FOR CHANGE IN MANAGEMENT PRACTICES.

WHEN I READ THIS LITERATURE I AM PERSUADED THAT HIERARCHICAL, TOP DOWN, COMMAND AND CONTROL MANAGEMENT PRACTICES ARE NOT THE ONES BEST SUITED TO MANAGING AND GOVERNING IN KNOWLEDGE-BASED INDUSTRIES. AND IN EDUCATION, THE EPITOME OF KNOWLEDGE-BASED INDUSTRIES, I SAY THAT MANAGEMENT AND GOVERNANCE PRACTICES MUST CHANGE IF WE ARE TO REGAIN THE CONFIDENCE OF THOSE WHO BUY OUR PRODUCT – PARDON ME, I MEAN THE EMPLOYERS WHO HIRE OUR GRADUATES, PARENTS AND CITIZENS AT LARGE, AND OUR MONOPOLY SHAREHOLDER, THE GOVERNMENT FROM WHOM WE GET THE BULK OF OUR REVENUE.

IF THE NAMES I MENTION ARE THE GURUS AND WRITERS ON CHANGING MANAGEMENT PRACTICES, WHERE ARE THE COMPANIES THAT HAVE CHANGED?, YOU ASK.

WELL, THEY ARE ALL AROUND AND THEY ARE STILL CHANGING FOR THERE IS NO FINISH LINE IN THE RACE TO BE AN EFFECTIVE ORGANISATION. WE ARE FAMILIAR WITH THE TURN-AROUNDS AT XEROX, HARLEY DAVIDSON, AND IBM – ALTHOUGH THEY STILL DON'T SEEM TO HAVE GOT IT RIGHT AS YET. BUT HERE ARE SOME OTHERS FROM AMONG THOSE KNOWN FOR BEING HIGHLY EFFECTIVE AND SUCCESSFUL IN THEIR BUSINESSES. WHAT I AM ILLUSTRATING HERE IS THE INCREASING PRACTICE BY SUCCESSFUL CORPORATIONS TO FOCUS AND DEPEND ON THEIR EMPLOYEES FOR THE SUCCESS OF THE ENTERPRISE.

HERE IS ISADORE SHARP, CHAIRMAN AND PRESIDENT OF FOUR SEASONS HOTELS LTD.:

*WHAT DISTINGUISHES A HOTEL FOR UPSCALE CUSTOMERS IS PERSONAL SERVICE, THE HARDEST THING TO DELIVER — YOU CAN'T AUTOMATE IT, YOU CAN'T SYSTEMATISE IT. IT IS DEPENDENT ENTIRELY ON FRONTLINE EMPLOYEES — LOWER-LEVEL EMPLOYEES.*

(EMPHASIS ADDED)

FROM A SPEECH BY JOHN J. HUDIBURG WHO WAS CHAIRMAN AND CEO OF FLORIDA POWER & LIGHT WHILE THAT ORGANISATION RE-INVENTED ITSELF:

*OUR JOURNEY HAS GONE WELL, BUT IT HASN'T BEEN EASY AND IT IS FAR FROM COMPLETE. I WANT TO RE-EMPHASISE THAT SUCH A JOURNEY DEMANDS TOTAL COMMITMENT FROM TOP MANAGEMENT. IT ALSO REQUIRES MASSIVE TRAINING AND EDUCATION, ALONG WITH THE INVOLVEMENT OF ALL EMPLOYEES.* (EMPHASIS ADDED)

IN A 1991 ROYAL BANK OF CANADA PIECE ON "THE QUEST FOR QUALITY," ONE OF THREE CRUCIAL STRATEGIES BEHIND THE TURN AROUND OF THE CADILLAC MOTOR CAR DIVISION IS REPORTED AS:

*A CULTURAL CHANGE WHERE TEAM WORK AND EMPLOYEE INVOLVEMENT ARE CONSIDERED A COMPETITIVE ADVANTAGE.*

(EMPHASIS ADDED)

AND FROM THE SAME PUBLICATION, THIS ABOUT MILLIKEN INDUSTRIES OF CANADA, A MANUFACTURER OF MODULAR CARPET TILES:

*A TEAMWORK APPROACH WAS INTRODUCED AND TOOK HOLD: ONE RESULT WAS THE ELIMINATION OF SHIFT SUPERVISOR POSITIONS AS*

*EACH OPERATOR BECAME RESPONSIBLE FOR QUALITY AND HAD THE AUTHORITY TO SHUT DOWN THE LINE IF THE GOODS BEING PRODUCED DID NOT MEASURE UP TO THE HIGHEST STANDARDS.*

(EMPHASIS ADDED)

THE NORTH AMERICAN EXAMPLES GO ON BUT THESE ARE SUFFICIENT TO ILLUSTRATE MY POINT THAT SUCCESS IS FOUND WHERE EMPLOYEES ARE CENTRAL TO THE PROCESSES, THE PRODUCTS, AND THE MISSION AND VISION OF THE ENTERPRISE. LET ME PUT IT ANOTHER WAY SO THAT I CAN DRAW FROM A BRAZILIAN EXAMPLE: SUCCESS IS FOUND WHERE THE PERVASIVE CORPORATE CULTURE IS ONE OF TRUSTING EMPLOYEES.

THE BOOK IS *MAVERICK* BY RICARDO SEMLER, THE NOMINAL CEO OF **SEMCO**, A BRAZILIAN CONGLOMERATE THAT AT THE END OF 1993 WAS DEBT FREE, AND EXPECTED TO SHOW EARNINGS OF FOUR MILLION DOLLARS ON FORTY MILLION DOLLARS OF SALES.

WHEN SEMLER WAS GIVEN CONTROL OF **SEMCO** BY HIS FATHER IN NINETEEN EIGHTY, THE COMPANY'S ATTITUDE ABOUT ITS EMPLOYEES WAS THAT YOU COULDN'T TRUST THEM. AS WORKERS LEFT THE PLANT THEY WERE SUBJECTED TO A SECURITY CHECK, EVEN THE VETERAN WORKERS, BECAUSE, AS THE SENIOR EXECUTIVES SAID, YOU COULDN'T TRUST THEM.

SEMLER STOPPED THE SEARCHES AND SIMPLY PUT A NOTICE THAT READ, "PLEASE MAKE SURE AS YOU LEAVE THAT YOU ARE NOT INADVERTENTLY TAKING ANYTHING THAT DOES NOT BELONG TO YOU." WHILE HE WAS AT IT, HE TOOK OUT THE TIME CLOCK AT WHICH EVERYONE

PUNCHED IN AND REPLACED IT WITH THE SUGGESTION THAT PUNCHING IN FOR YOUR COLLEAGUES WOULD NOT BE APPRECIATED.

HE DID THAT BEFORE PROFITS JUMPED FIVE HUNDRED PERCENT. AND WHAT ABOUT THEFTS AND TIMECARD CHEATING? HE SAYS HE DOESN'T KNOW AND DOESN'T CARE BECAUSE

*IT'S NOT WORTH IT TO ME TO HAVE A COMPANY AT WHICH YOU DON'T TRUST THE PEOPLE WITH WHOM YOU WORK.*

I'M SURE WE'VE ALL WONDERED ABOUT THE PILES OF PAPERWORK THAT ARISE FROM OUR EFFORTS TO CONTROL OUR EMPLOYEES. SEMLER GIVES THE EXAMPLE OF TRAVEL FOR WHICH THERE ARE USUALLY RULES SPECIFYING HOW MUCH A PERSON CAN SPEND IN A VARIETY OF SITUATIONS. THE ABSURDITY HE POINTS OUT IS THAT A CORPORATION SENDS ITS PEOPLE OUT TO DO BUSINESS IN ITS NAME, TO UPHOLD ITS REPUTATION, YET CAN'T TRUST THOSE SAME PEOPLE TO DECIDE IN WHICH SECTION OF THE PLANE TO SIT, OR HOW MANY STARS THEIR HOTEL SHOULD HAVE, OR WHETHER A BEER AT THE END OF A TOUGH DAY ON THE ROAD IS JUSTIFIED.

LET'S NOT BE COY ABOUT THE MATTER. SUCCESS COMES DOWN TO BEING MORE PRODUCTIVE. THE ARGUMENT IS THAT A CORPORATE CULTURE WHICH WANTS AND EXPECTS THE EMPLOYEE TO LEAD THE CORPORATION TO GREATER PRODUCTIVITY IS THE CULTURE THAT MAKES A CORPORATION SUCCESSFUL IN TODAY'S ECONOMY. LET ME QUOTE FROM A SPEECH BY JACK WELCH, CHAIRMAN AND CEO OF GENERAL ELECTRIC:

*THE BEST COMPANIES KNOW WITHOUT A DOUBT WHERE REAL PRODUCTIVITY COMES FROM. IT COMES FROM CHALLENGED, EMPOWERED, EXCITED, REWARDED TEAMS OF PEOPLE. IT COMES FROM ENGAGING EVERY SINGLE MIND IN THE ORGANISATION, MAKING EVERYONE PART OF THE ACTION, AND ALLOWING EVERYONE TO HAVE A VOICE IN THE SUCCESS OF THE ENTERPRISE. DOING SO RAISES PRODUCTIVITY NOT INCREMENTALLY, BUT BY MULTIPLES.*

IN THE NOVEMBER-DECEMBER 1991 ISSUE OF *THE HARVARD BUSINESS REVIEW*, IN AN ARTICLE ENTITLED, "THE NEW PRODUCTIVITY CHALLENGE," PETER DRUCKER WRITES:

*THE FOURTH STEP TOWARD WORKING SMARTER, THEN, IS FOR MANAGEMENT TO FORM A PARTNERSHIP WITH THE PEOPLE WHO HOLD THE JOBS, THE PEOPLE WHO ARE TO BECOME MORE PRODUCTIVE.*

AND THAT IS WHAT I THINK BILL 22 IS ATTEMPTING TO DO. IT IS TRYING TO PUT INTO LEGISLATION THE INJUNCTION:

TO FIND OUT HOW TO IMPROVE PRODUCTIVITY, QUALITY AND PERFORMANCE, ASK THE PEOPLE WHO DO THE WORK.

DOING THIS REPRESENTS, I THINK, A VERY BIG CHANGE FOR MOST INSTITUTIONS. LET ME ACKNOWLEDGE THAT SEVERAL INSTITUTIONS HAVE MADE SERIOUS ATTEMPTS TO IMPROVE THE QUALITY OF THEIR SERVICES AND MAKE THEIR PROGRAMMING MORE RESPONSIVE, AND MORE QUICKLY

RESPONSIVE, TO THE NEEDS OF THE CUSTOMER BY IMPORTING THE PRINCIPLES OF TOTAL QUALITY MANAGEMENT INTO THE EVERYDAY LIFE OF THE INSTITUTION. BUT, THERE ARE VERY FEW THAT HAVE ATTEMPTED TO INCLUDE THEIR EMPLOYEES, PARTICULARLY FACULTY, INTO THE WARP AND WEAVE OF MANAGING THE INSTITUTION.

THIS BRINGS ME TO SOME IDEAS AROUND PARTICIPATIVE MANAGEMENT. YOU MAY HAVE HEARD THIS REFERRED TO BY OTHER TERMS: CO-MANAGEMENT, CO-GOVERNANCE, SHARED GOVERNANCE. I PREFER TO SPEAK OF COVENANTAL RELATIONSHIPS, A TERM AND USAGE I'VE TAKEN FROM MAX DEPREE'S BOOK, *LEADERSHIP IS AN ART*.

SO, WHEN I SPEAK ABOUT INCLUDING EMPLOYEES INTO THE WARP AND WEAVE OF MANAGING THEIR INSTITUTIONS, I AM REFERRING TO COVENANTAL RELATIONSHIPS RATHER THAN TO CERTAIN LEGAL RIGHTS OF FACULTY TO BE PROVIDED MANAGEMENT INFORMATION. THESE LEGAL RIGHTS, WHEN THEY EXIST, ARE USUALLY SET OUT IN COLLECTIVE AGREEMENTS. IN THE TRADITIONAL LABOUR-MANAGEMENT VIEW THESE RIGHTS IN THE COLLECTIVE AGREEMENT REPRESENT THE LOSS OF MANAGEMENT'S RIGHTS TO MANAGE. IN CONTRAST, COVENANTAL RELATIONSHIPS ARE QUITE DIFFERENT AND STEM FROM A DIFFERENT VIEW OF LABOUR-MANAGEMENT RELATIONSHIPS.

DEPREE WRITES THAT

> *A COVENANTAL RELATIONSHIP RESTS ON A SHARED COMMITMENT TO IDEAS, TO ISSUES, TO VALUES, TO GOALS, AND TO MANAGEMENT PROCESSES.*

THE EFFECT OF COVENANTAL RELATIONSHIPS IS TO ENABLE EMPLOYEES RATHER THAN TO ENCUMBER THEM. THINK BACK HERE TO RICARDO SEMLER AND THE **SEMCO** EXAMPLE.

A COVENANTAL RELATIONSHIP TOLERATES RISK AND FORGIVES ERRORS; IT MAKES FOR AN ORGANISATIONAL CULTURE WHICH IS HOSPITABLE TO THE UNUSUAL PERSON WITH UNUSUAL IDEAS; IT MAKES POSSIBLE A CLIMATE IN WHICH CONFLICT AND CHANGE CAN BE MANAGED. INDEED, BY GIVING PEOPLE EVERYWHERE IN THE INSTITUTION THE FREEDOM TO FAIL, MUCH MORE "BREAKTHROUGH" PROGRESS IS MADE IN EVERY NOOK AND CRANNY OF THE ORGANISATION. COVENANTAL RELATIONSHIPS ENABLE WORK TO HAVE MEANING AND TO BE FULFILLING FOR ALL EMPLOYEES.

THIS QUOTE FROM MAX DEPREE SUMS IT UP:

> *PARTICIPATIVE MANAGEMENT ARISES OUT OF THE HEART AND OUT OF A PERSONAL PHILOSOPHY ABOUT PEOPLE. IT CANNOT BE ADDED TO, OR SUBTRACTED FROM, A CORPORATE POLICY MANUAL AS THOUGH IT WERE ONE MORE MANAGERIAL TOOL.*

AND THERE IN LIES THE POTENTIAL FOR FAILURE IN BRITISH COLUMBIA'S NEW LEGISLATION ON GOVERNANCE AND EMPLOYEE PARTICIPATION IN THE BUSINESS OF THE COLLEGES. WHAT FLOWS FROM ONE'S HEART OR IS A DEEPLY HELD PERSONAL PHILOSOPHY CANNOT BE LEGISLATED. SO, IT'S UP TO EACH ONE OF US TO WORK ON CHANGE AND TO DISCOVER AND UPHOLD ALTERNATIVE VALUES IN OUR WORKPLACE.

FOR MANY OF US, THE NEED TO CHANGE IS SEEN AS AN

INEVITABILITY RATHER THAN A NECESSITY. AS A RESULT, TOO OFTEN WE DON'T MAKE CHANGES UNTIL WE STARE DISASTER IN THE FACE. CHARLES HANDY IN HIS BOOK, *THE AGE OF PARADOX*, WRITES ABOUT LAUNCHING THE SECOND CURVE AS A CONCEPT FOR SEEING CHANGE AS AN OPPORTUNITY RATHER THAN A THREAT.

THE FAMILIAR SIGMOID CURVE CAN BE SEEN AS DESCRIBING THE WAXING AND WANING OF MANY ORGANISATIONS: THINK OF THE BRITISH EMPIRE, THE SOVIET EMPIRE, IBM OR HARLEY DAVIDSON; THINK OF PERSONAL RELATIONSHIPS.

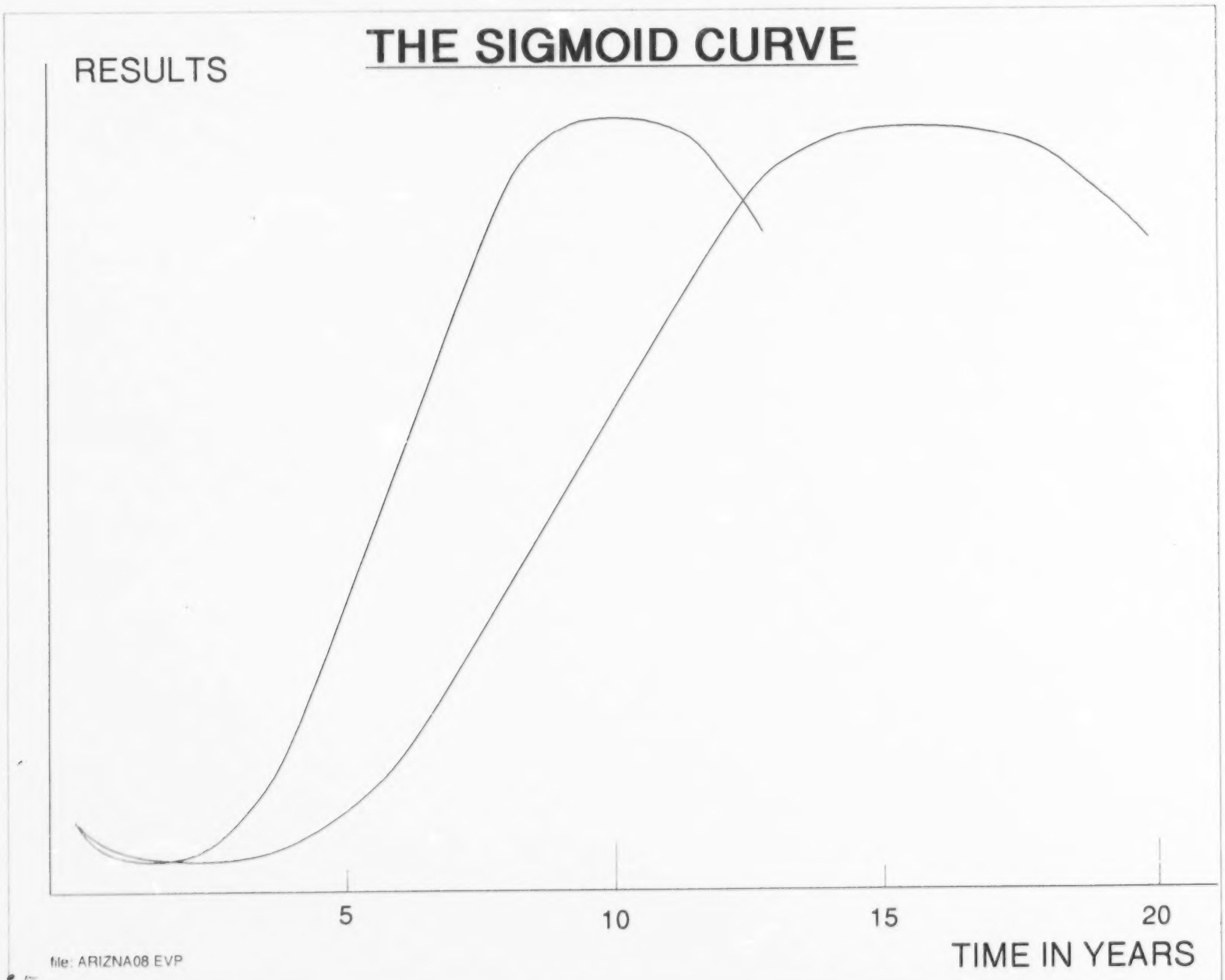
THINK OF IT THIS WAY: THE ORGANISATION BEGINS, OR BEGINS AGAIN WITH A NEW LEADER, OR A NEW PRODUCT. RESULTS ARE GOOD AND GET BETTER. THE ORGANISATION GROWS AND EXPANDS. WE THINK WE HAVE A WINNER UNTIL WE BEGIN TO LOSE BECAUSE SOMETHING HAS CHANGED THAT WE DIDN'T FORESEE.

TODAY, THE SIGMOID CURVE IS COMPRESSED COMPARED TO WHAT IT WAS IN EARLIER TIMES, WHICH SIMPLY REFLECTS THE ACCELERATING PACE OF CHANGE.

IT IS WHILE WE ARE SWEEPING UP THE FIRST CURVE THAT WE NEED THE COURAGE TO LAUNCH THE SECOND CURVE. BUT, OH, HOW DIFFICULT IT IS TO SEE THE NEED FOR THE SECOND CURVE.

THE FLATTERY OF SUCCESS IS THE SIREN SONG OF IMPENDING FAILURE. AS WE SWEEP UP THE FIRST CURVE, THE FEEDBACK TELLS US THAT ALL IS WELL AND THAT TO CHANGE WHAT IS WORKING SO WELL WOULD BE FOLLY.

# THE SIGMOID CURVE




file: ARIZNA08 EVP

IT IS WHILE WE ARE ON THIS UPWARD SLOPE THAT WE HEAR THE OFT QUOTED PHRASE, IF AIN'T BROKE, DON'T FIX IT. TOM PETERS, OF COURSE HAS THE ANSWER TO THAT: HE SAYS, IF IT AIN'T BROKE, YOU HAVEN'T LOOKED HARD ENOUGH. IN FACT, IT SEEMS TO ME THERE IS A BOOK WHOSE TITLE IS SOMETHING LIKE, *IF IT AIN'T BROKE, BREAK IT*.

THE TRUTH IS THAT EVEN THE INSPIRED LEADER HAS DIFFICULTY IN PERSUADING HIS OR HER ORGANISATION TO CHANGE WHEN THE CURVE IS STILL GOING UP – OR FOR INSPIRED WORKERS TO PERSUADE THEIR LEADERS THAT THE ORGANISATION MUST CHANGE.

AS A RESULT, OUR ORGANISATIONS GO OVER THE TOP AND IT IS NOT UNTIL WE STARE DISASTER IN THE FACE THAT WE DISCOVER THE ENERGY NEEDED TO MAKE THE NECESSARY CHANGES.

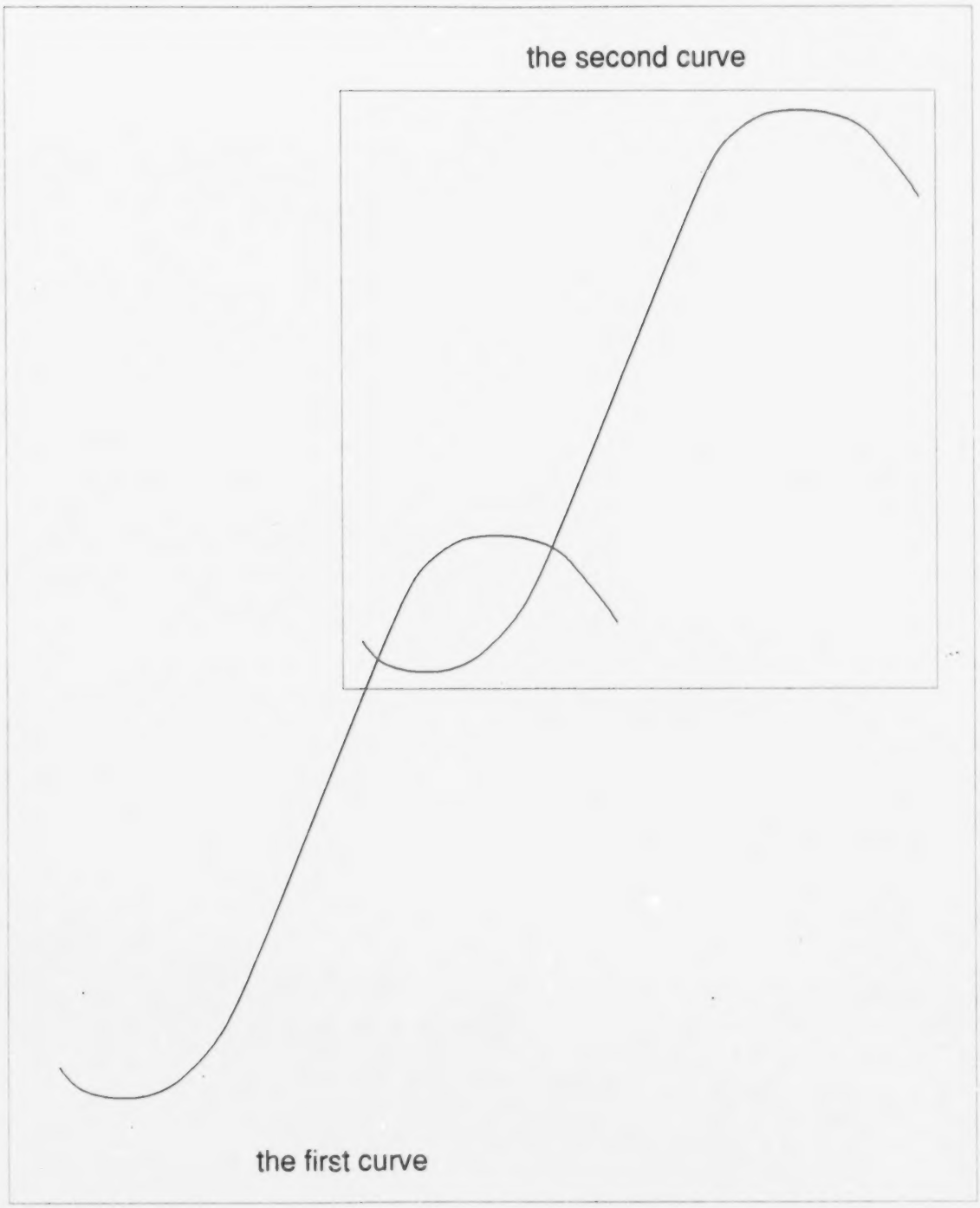
BUT THE LAUNCHING OF THE SECOND CURVE WILL NOT BE EASY. ALTHOUGH IT IS WISE TO BUILD A NEW FUTURE EVEN WHILE MAINTAINING THE PRESENT FOR A WHILE LONGER, THE SECOND CURVE WILL – IT HAS TO BE – NOTICEABLY DIFFERENT FROM THE FIRST. THIS MEANS THAT PEOPLE HAVE TO BE DIFFERENT – SOMETIMES THE PEOPLE WHO ARE BEST ABLE TO LEAD THE SECOND CURVE ARE NOT THE ONES WHO WERE SO SUCCESSFUL IN LEADING THE FIRST.

THESE CAN BE TURBULENT TIMES AND CONFUSING TIMES AS NEW IDEAS CONFLICT WITH OLD IDEAS AND NEW-THINKING PEOPLE STRUGGLE TO CO-EXIST WITH THE OLD.

AND, THERE IS NO REAL WAY TO TELL WHERE WE ARE ON THE CURVE.

# THE SECOND CURVE

*after Charles Handy*



SO, WE SHOULD ALWAYS ASSUME WE'RE NEAR THE TOP OF THE CURVE AND THINK ACCORDINGLY.

I FIND THIS ANALYSIS COMFORTING BECAUSE IT PUTS ME IN THE FRAME OF MIND THAT THERE IS ALWAYS A FUTURE BEYOND THE FIRST CURVE. THAT THE SECRET TO GETTING BETTER IS TO LAUNCH THE SECOND CURVE BEFORE THE FIRST ONE TURNS OVER THE TOP.

AS I SEE IT, POST-SECONDARY EDUCATION IS TODAY AT THE VERY TOP OF THE FIRST CURVE. PUBLICLY FUNDED POST-SECONDARY EDUCATION MUST CHANGE, CHANGE RADICALLY, AND CHANGE RAPIDLY IF IT IS TO STAY IN BUSINESS. I AM ABSOLUTELY CERTAIN THAT'S THE CASE FOR CANADA AND I HAVE A STRONG SUSPICION THAT IT IS ALSO THE CASE FOR AMERICA.

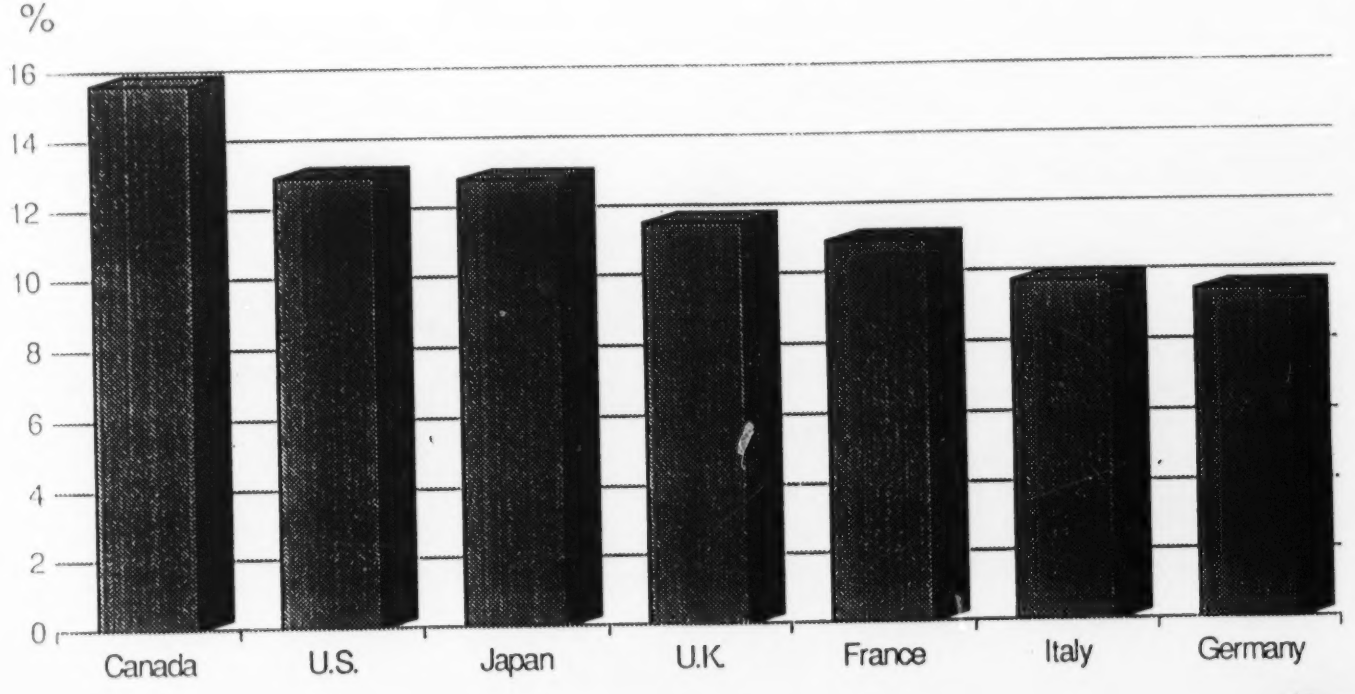
LET ME BRIEFLY MAKE THE CASE.

DURING THE PAST TEN YEARS, MANY BUSINESSES, BOTH LARGE AND SMALL, HAVE LOOKED BANKRUPTCY IN THE EYE AND IF THEY ARE IN BUSINESS TODAY IT IS BECAUSE THEY CHOSE NOT ONLY TO DO BUSINESS DIFFERENTLY, BUT IN MANY CASES TO DO DIFFERENT BUSINESS. IN CANADA, PUBLICLY FUNDED EDUCATION IS FACING BANKRUPTCY. THE UNANSWERED QUESTIONS ARE, WILL PUBLIC EDUCATION CONDUCT ITS BUSINESS DIFFERENTLY? AND WILL IT LOOK FOR THE ANALOGUE OF DOING DIFFERENT BUSINESS? .

NO MATTER HOW YOU LOOK AT CANADA'S EXPENDITURES ON EDUCATION, WE LEAD THE PACK. WE'RE NUMBER ONE (V4711.010) AS A PERCENTAGE OF PUBLIC EXPENDITURES; NUMBER ONE (V4711.011) AS A

V4711.010

# EDUCATION AS A PERCENTAGE OF PUBLIC EXPENDITURES




Local currency and current 1987 dollars
Source: OECD. Education in OECD Countries, 1991.

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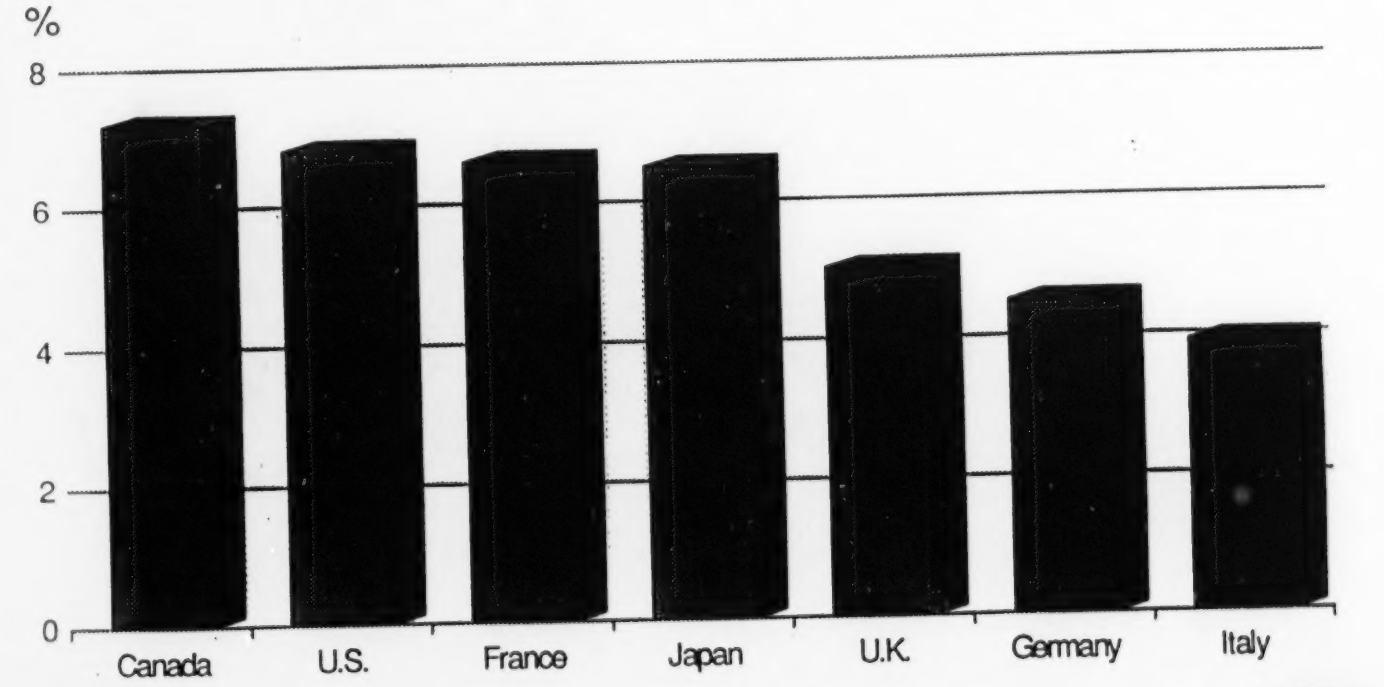
V4711.011

# PUBLIC EXPENDITURE ON EDUCATION AS A PERCENTAGE OF GDP




Local currency and current 1986 dollars
Source: UNDP. Human Development Report, 1992

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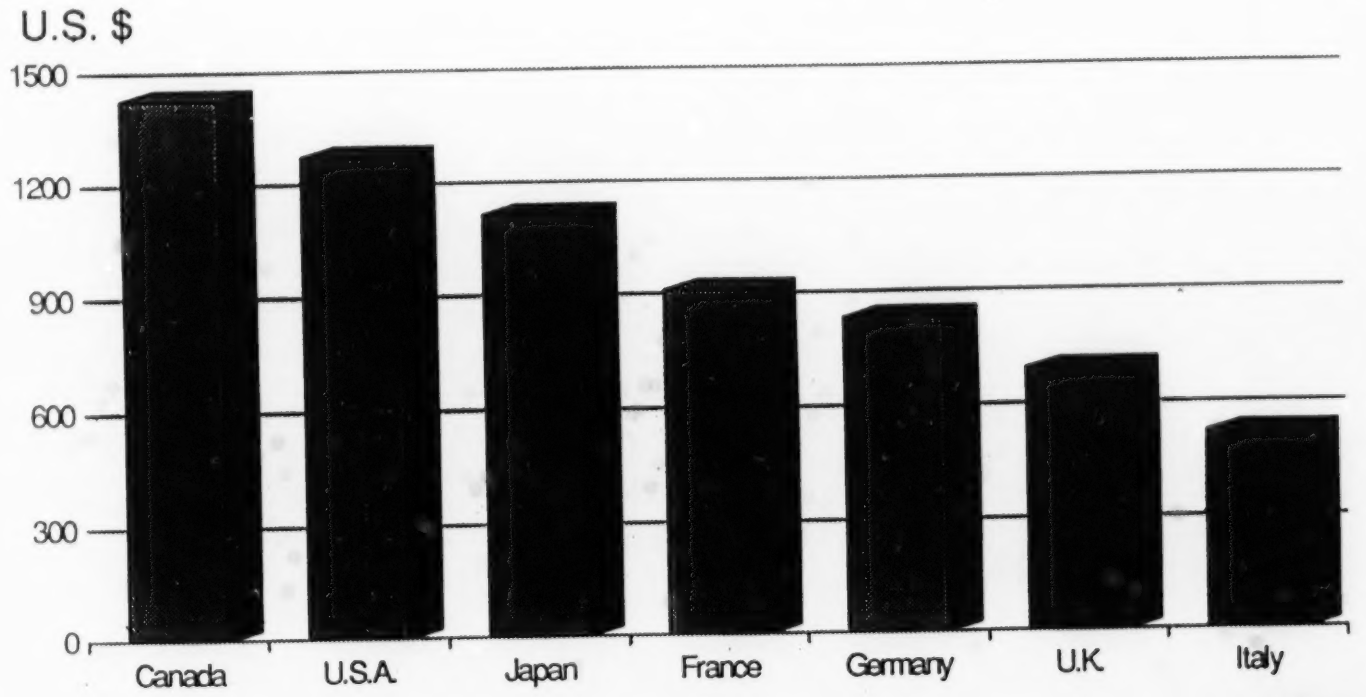
V4711.012

# PUBLIC EXPENDITURE ON EDUCATION PER CAPITA




Public expenditures on education in U.S. dollars 1991.
Source: World Economic Forum. The World Competitiveness Report, 1992.

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PERCENTAGE OF G.D.P. – NOTICE THERE IS SOME JOCKEYING FOR POSITION AT THE NUMBER THREE SLOT AND LOWER – AND NUMBER ONE (V4711.012) ON A PER CAPITA BASIS.

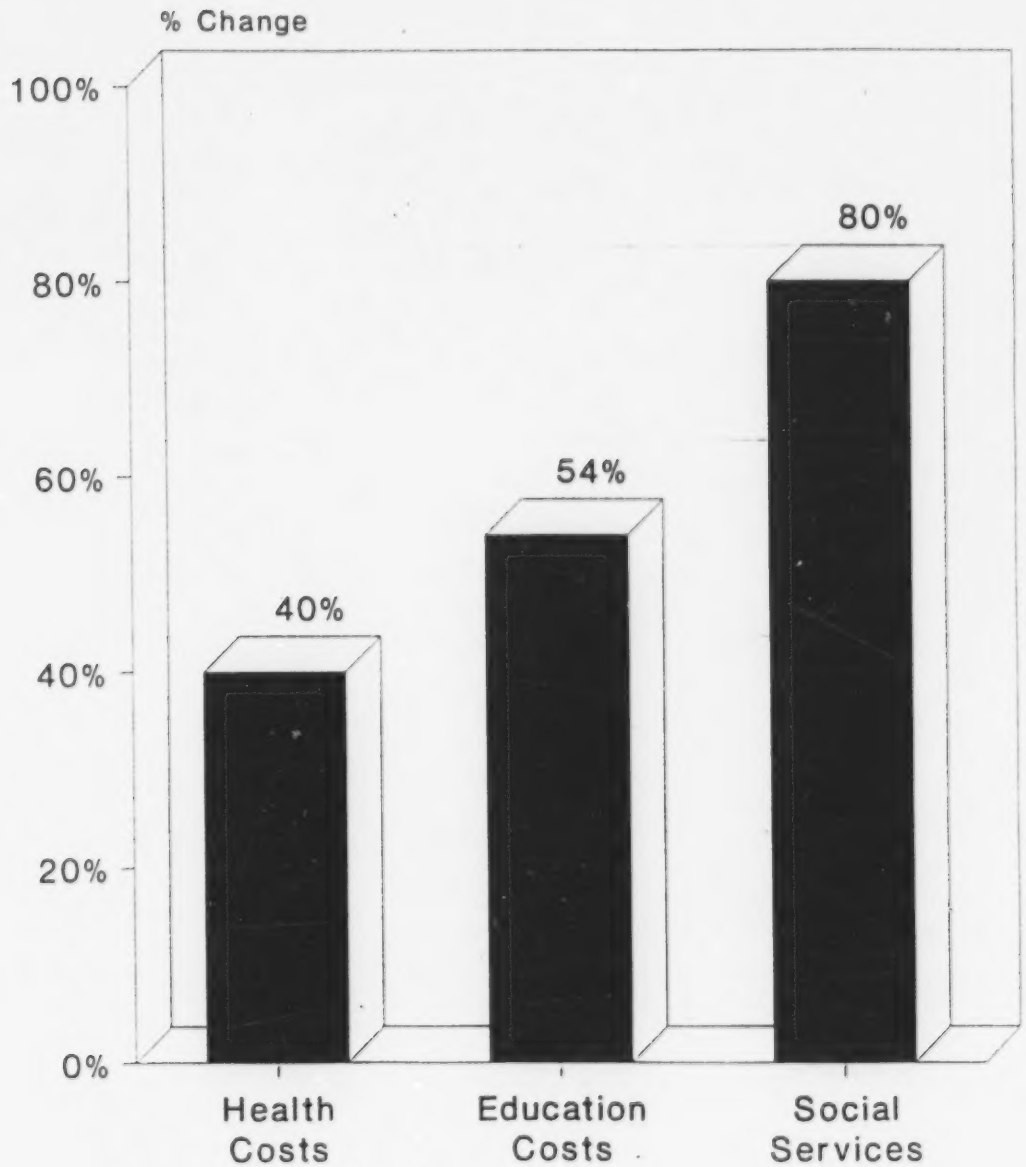
I DON'T BELIEVE THAT CANADIANS WILL BE WILLING TO INCREASE THEIR SPENDING ON EDUCATION. PART OF THE REASON IS THAT DURING THE PERIOD FROM 1989 TO 1993, HEALTH COSTS INCREASED BY FORTY PERCENT, EDUCATION COSTS BY FIFTY-FOUR PERCENT, AND SOCIAL SERVICES BY EIGHTY PERCENT AND I JUST DON'T THINK THAT THE "QUIET CANADIAN" IS WILLING TO PAY ANY MORE TAX.

THESE INCREASES WERE FUNDED IN LARGE MEASURE BY INCREASED TAXES AND BY AN INCREASE IN THE DEBT. INCREASED TAXATION WAS PUT UPON US EVEN AS THE AVERAGE REAL ANNUAL PRE-TAX FAMILY INCOME, ADJUSTED FOR INFLATION, SHRANK FROM ABOUT SIXTY THOUSAND DOLLARS TO FIFTY-SIX THOUSAND. THE MARGINAL TAX RATES WE FACED IN 1994 ARE ACTUALLY QUITE EXTRAORDINARY: FIFTY-FOUR PERCENT IN OUR PROVINCE; FORTY PERCENT IN WASHINGTON STATE; TWENTY-FIVE PERCENT IN HONG KONG. BUT, I MUST POINT OUT THAT THE MARGINAL TAX RATES FOR BC, MANITOBA AND ALBERTA KICK IN AT ABOUT SEVENTY-NINE THOUSAND DOLLARS. WASHINGTON STATE'S TOP MARGINAL RATE KICKS IN AT INCOMES OVER TWO HUNDRED AND FIFTY THOUSAND U.S. DOLLARS. THE HONG KONG MARGINAL RATE IS LIMITED BY THE OVERALL CAP THAT SAYS YOUR TOTAL TAX WILL NOT EXCEED FIFTEEN PERCENT OF YOUR TAXABLE INCOME.

FOR THE PAST FEW MONTHS SOME CANADIANS HAVE BEEN DISCUSSING

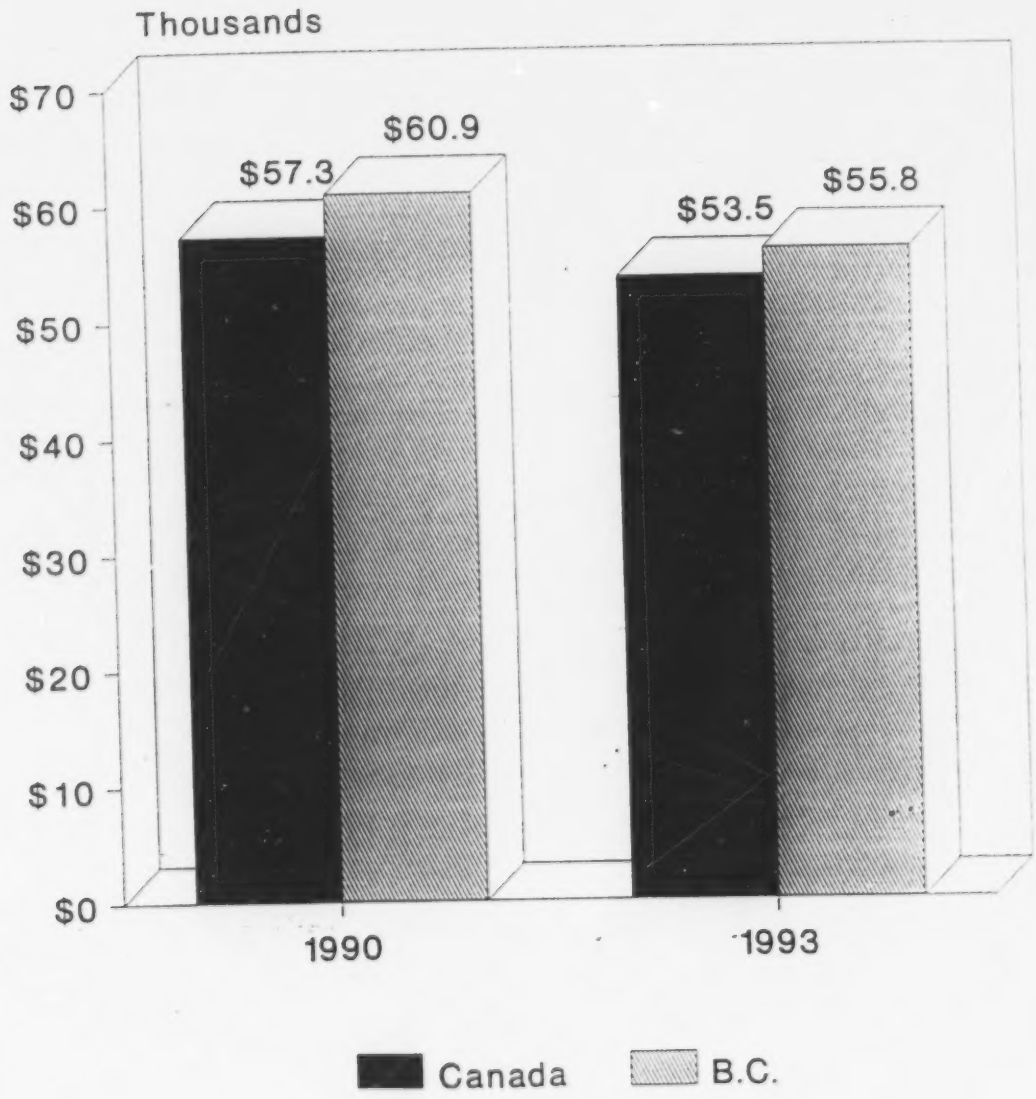
# Provincial Spending "Hot Spots"

(% increase 1989-90 to 1993-94)



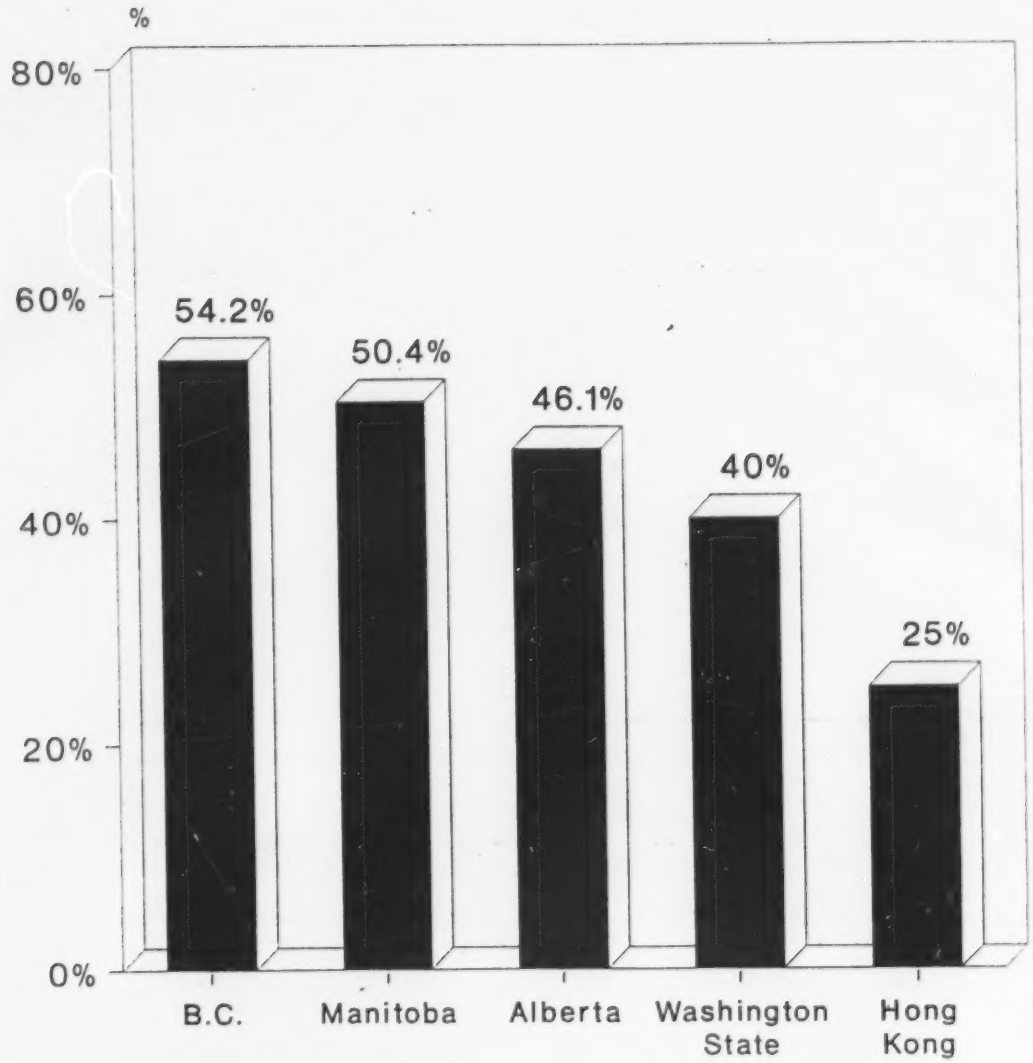

Source: Auditor General of B.C.

# Real Family Incomes
## (average, pre-tax)




Source: Statistics Canada

# Top Marginal Personal Income Tax Rates (1994)




Washington-at income level>U.S.$250,000
Hong Kong-max. tax of 15% of total taxable income

A GREEN PAPER ON POSSIBLE REFORMS TO THE SOCIAL NET IN CANADA PUBLISHED BY THE HONOURABLE LLOYD AXWORTHY, FEDERAL MINISTER OF HUMAN RESOURCE DEVELOPMENT. ONE OF THE PROPOSALS IN THE PAPER IS TO CUT THE FUNDS FOR EDUCATION WHICH ARE NOW TRANSFERRED FROM THE FEDERAL GOVERNMENT TO THE PROVINCIAL GOVERNMENT. FOR BRITISH COLUMBIA THIS IS ABOUT THREE HUNDRED MILLION. THE FEDERAL GOVERNMENT WOULD INSTEAD MAKE THIS MONEY AVAILABLE TO STUDENTS IN THE FORM OF GRANTS AND INCOME CONTINGENT LOANS.

WHETHER OR NOT THIS OR OTHER CHANGES PROPOSED IN THE GREEN PAPER COME TO PASS IN THE UPCOMING BUDGET, I CONSIDER THIS TO BE BUT THE FIRST SKIRMISH IN A WAR WHICH WILL SEE THE UNIT VALUE OF GOVERNMENT FUNDING TO EDUCATION DECREASE, TUITION FEES RISE SIGNIFICANTLY, PUBLIC COLLEGES BECOME MORE LIKE PRIVATE COLLEGES IN THEIR DEPENDENCE ON FUNDRAISING, AND MORE LIKE PRIVATE BUSINESS IN THEIR ATTENDANCE TO THE NEEDS OF THE CUSTOMER.

THE SIGNIFICANCE OF ATTENDING TO THE CUSTOMERS' NEEDS IS THAT WE'LL HAVE TO DEVELOP NEW PROGRAMS IN SHORTER TIMES; OUR PLANNING CYCLES WILL HAVE TO MATCH THE PACE AT WHICH THE EMPLOYERS' NEEDS ARE CHANGING — AND REMEMBER, MANY BUSINESSES LOSE MARKET SHARE OR GO BANKRUPT BECAUSE THEY CHANGE MUCH MORE SLOWLY THAN THE MARKET PLACE CHANGES. ATTENDING TO THE CUSTOMERS' NEEDS MEANS WE'LL HAVE TO IMPLEMENT OUR RHETORIC ABOUT LADDERED CURRICULA; WE'LL HAVE TO REPLACE TIME-BASED STUDENT ADVANCEMENT WITH COMPETENCY-BASED STUDENT ADVANCEMENT;

INSTRUCTIONAL TECHNOLOGY WILL HAVE TO BECOME A SIGNIFICANT INSTRUCTIONAL TOOL FOR ALL INSTRUCTORS.

MAY BE I CAN MAKE THIS POINT OF CUSTOMER FOCUS MORE EFFECTIVELY BY ASKING YOU TO RECALL WHEN BANKS WERE OPEN ONLY BETWEEN TEN O'CLOCK IN THE MORNING AND THREE IN THE AFTERNOON, AND NEVER ON WEEKENDS – THEY WERE OPERATING ON THEIR TERMS. TODAY THEY OPERATE ON THE CUSTOMERS' TERMS: THEY ROUTINELY ASK CUSTOMERS WHAT SERVICES THEY WOULD LIKE THE BANK TO PROVIDE; THEY HAVE DEVELOPED NEW PRODUCTS; THEY HAVE USED TECHNOLOGY TO PROVIDE BANKING PROCESSES THAT ARE AVAILABLE TWENTY-FOUR HOURS A DAY.

IN BRITISH COLUMBIA CAPILANO COLLEGE IS ONE OF VERY FEW THAT HAVE, IN ADVANCE OF THE LEGISLATION, ESTABLISHED COVENANTAL RELATIONSHIPS AND INCORPORATED FACULTY INTO PARTICIPATIVE MANAGEMENT PRACTICES. THE REMAINDER OF MY PRESENTATION FOCUSES ON BILL 22 AND HOW CAPILANO COLLEGE ANTICIPATED THE LEGISLATION AS A MEANS OF LEARNING OUR WAY INTO ALTERED GOVERNANCE STRUCTURES.

IT IS OFTEN DIFFICULT TO PIN DOWN PRECISELY WHEN AND WHERE A NEW PIECE OF LEGISLATION IS BORN CONCEPTUALLY. IN THE CASE OF BILL 22, IT WAS BORN WITH THE "REPORT OF THE COMMITTEE ON GOVERNANCE IN COLLEGES AND INSTITUTES" PUBLISHED IN MAY 1993. THIS WAS A COMMITTEE STRUCK BY THE MINISTER OF THE CROWN RESPONSIBLE FOR POST-SECONDARY EDUCATION. THE COMMITTEE CONSISTED OF FOUR COLLEGE ADMINISTRATORS, SIX COLLEGE AND

INSTITUTE FACULTY, FIVE STUDENTS, FOUR GOVERNING BOARD MEMBERS. IN ADDITION, FOUR CIVIL SERVANTS FROM OUR EDUCATIONAL MINISTRY SAT AS ADVISORS TO THE COMMITTEE.

TO QUOTE THE REPORT,

> *REPRESENTATIVE GROUPS WITHIN THE POST-SECONDARY SYSTEM HAVE NOT BEEN UNANIMOUS AS TO THE BEST DIRECTION FOR CHANGES TO TAKE. . . . THE PURPOSE OF THIS REPORT IS TO SPECIFY THE COMMITTEE'S AREAS OF AGREEMENT AS TO THE NATURE OF THOSE REVISIONS* (SUGGESTED IN THE MANY SUBMISSIONS MADE TO THE COMMITTEE).

IN THE FACE OF THIS LACK OF CONSENSUS, IT IS IMPORTANT TO KNOW WHERE THE MINISTER STOOD ON THE REPORT. HERE ARE TWO QUOTES FROM HIS AUGUST 20, 1993 LETTER WHICH CONVEYED THE REPORT TO THE PRESIDENTS OF THE COLLEGES AND ASKED FOR THEIR FURTHER RESPONSE TO THE ISSUE OF ALTERING GOVERNANCE IN THE SYSTEM. I PLACE THESE TWO QUOTES IN APPOSITION SO AS TO ILLUMINATE THE MINISTER'S AND HIS GOVERNMENT'S VIEWS ON THIS MATTER.

> *THE GENERAL DIRECTION OF THE RECOMMENDATIONS REFLECTS THE NEED FOR COMMUNITY OWNERSHIP AND PUBLIC INTEREST IN OUR POST-SECONDARY EDUCATION SYSTEM AND THE NEED FOR MORE SUBSTANTIVELY INVOLVING FACULTY, STAFF AND STUDENTS IN THE DECISION-MAKING PROCESS.*

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*A KEY CONSIDERATION REGARDING GOVERNANCE OPTIONS WILL BE TO ENSURE AN APPROACH IN OUR COLLEGES AND INSTITUTES THAT IS CONSISTENT WITH OUR GOVERNMENT'S OVERALL DIRECTION REGARDING GOVERNANCE AND COMMUNITY INVOLVEMENT IN DECISION-MAKING, AND WITH THE IMPERATIVE OF ACHIEVING INCREASED FISCAL RESPONSIBILITY AND RESPONSIVENESS TO THE RAPIDLY CHANGING NEEDS OF SOCIETY AND THE ECONOMY.*

THE MINISTER WENT ON IN HIS LETTER TO ENCOURAGE THE SYSTEM TO CONTINUE DISCUSSIONS ON GOVERNANCE AMONG OURSELVES AND THROUGH THE COLLABORATION AND LEADERSHIP OF INSTITUTIONAL COMMITTEES.

BY LATE SEPTEMBER, ALTHOUGH THE GOVERNMENT HAD NOT CHANGED OR SUFFERED ANY DEFEAT IN THE LEGISLATURE, WE HAD A NEW MINISTER RESPONSIBLE FOR POST-SECONDARY EDUCATION. THE PROVINCIAL ASSOCIATION OF FACULTY UNIONS MADE IT ABUNDANTLY CLEAR IN PUBLIC THAT IT WAS GOING TO PRESS THE NEW MINISTER TO IMPLEMENT THE COMMITTEE'S REPORT.

AS PRESIDENT, I SCANNED THE ENVIRONMENT, FACTORED IN MY OWN VALUES – AND FROM WHAT I SAID MUCH EARLIER IN THIS PRESENTATION YOU KNOW WHAT THEY ARE ON THIS ISSUE – AND RECOMMENDED TO OUR GOVERNING BOARD AS FOLLOWS:

1. HAVE THE ACADEMIC PLANNING COMMITTEE OF THE BOARD MEET TO REVIEW AND DISCUSS THE DOCUMENTS AND ASSESS THE ENVIRONMENT; AND,

2. HAVE A SUBSEQUENT MEETING AT WHICH MEMBERS OF OUR FACULTY ASSOCIATION'S (THE FACULTY UNION) EXECUTIVE ARE INVITED TO BE PRESENT AND PARTICIPATE FULLY IN A REVIEW AND DISCUSSION OF THE DOCUMENTS AND AN ASSESSMENT OF THE ENVIRONMENT.

IN PREPARATION FOR THE FIRST MEETING, I PROVIDED THE BOARD WITH A POSSIBLE ACTION PLAN BASED ON TWO ASSUMPTIONS:

1. THAT THE GOVERNMENT WILL PASS LEGISLATION MANDATING A WIDER COMMUNITY OF INTEREST BE PART OF THE DECISION-MAKING PROCESSES AT ALL LEVELS OF THE ORGANISATION, AND
2. THAT THE COLLEGE WILL BE BETTER SERVED IF WE START IMMEDIATELY AND VOLUNTARILY "TO LEARN" OUR WAY INTO THE MECHANISMS OF "SHARED GOVERNANCE."

THE TWO MEETINGS I HAD RECOMMENDED TOOK PLACE AT THE BEGINNING AND THE END OF OCTOBER. NEEDLESS TO SAY, THE DISCUSSIONS WERE WIDE RANGING – AND WE ALL KNOW THIS PHRASE IS DIPLOMATIC CODE MEANING THERE WAS A WIDE DISPARITY OF VIEWS AMONG BOARD MEMBERS, AND BETWEEN BOARD MEMBERS AND FACULTY MEMBERS.

NEVERTHELESS, BY EARLY NOVEMBER OUR BOARD HAD INFORMALLY ADOPTED THE PRINCIPLE THAT WE WOULD LEARN OUR WAY INTO SHARED GOVERNANCE AT THE BOARD LEVEL, RECOGNISED OPENLY THAT ISSUES OF CONFLICT OF INTEREST WERE PERHAPS THE MOST DIFFICULT ISSUES OUTSTANDING, HAD SET THE JANUARY MEETING OF THE BOARD AS THE TARGET DATE FOR FORMAL ADOPTION OF THIS AS A BOARD POLICY, AND

AGREED THAT THE PRESIDENT WOULD CONTINUE HIS LONGSTANDING PRACTICES OF SHARED MANAGEMENT WITHIN THE INSTITUTION.

WHILE WE WERE MOVING RELATIVELY SMOOTHLY TOWARDS ALTERING GOVERNANCE IN OUR INSTITUTION, ON THE PROVINCIAL SCENE THE ISSUES OF ALTERING GOVERNANCE DEFINED A WAR ZONE. THE ADVANCED EDUCATION COUNCIL OF BRITISH COLUMBIA, THE PROVINCIAL ASSOCIATION OF GOVERNING BOARDS AND OF COLLEGE AND INSTITUTE PRESIDENTS, WAS REPRESENTING THE VIEW – PERHAPS OVER SIMPLIFIED HERE – THAT A WIDER COMMUNITY OF INTEREST COULD BE INCLUDED IN AN ADVISORY CAPACITY BUT NOT IN A DECISION MAKING CAPACITY.

NOT SURPRISINGLY, ONE OF THE CRUCIAL ISSUES IN THIS PROVINCE-WIDE DEBATE WAS THAT OF CONFLICT OF INTEREST GUIDELINES. AS I HAVE ALREADY SAID, IT WAS CERTAINLY A CRUCIAL ISSUE IN THE DISCUSSIONS AMONG OUR BOARD MEMBERS AS THEY CONTEMPLATED THEIR NEW POLICY ON CONSTITUENT REPRESENTATION. IN OUR CASE, WE SETTLED THE MATTER BY SAYING THAT THE CONFLICT OF INTEREST GUIDELINES WHICH OUR GOVERNMENT APPOINTED BOARD HAD LONG SINCE ADOPTED WOULD APPLY EQUALLY TO THE CONSTITUENT REPRESENTATIVES.

BUT LET ME SET ASIDE THE PROVINCIAL DEBATE AND FOCUS ON OUR COLLEGE'S PRACTICE IN ADVANCE OF THE CREATION AND PASSAGE OF BILL 22. AT ITS DECEMBER, 1993 MEETING, OUR BOARD PUT FORWARD THE FOLLOWING NOTICE OF MOTION:

*THAT THE GOVERNING BOARD OF CAPILANO COLLEGE, (THE "BOARD"), ON A TRIAL BASIS, AND AS A PILOT PROJECT, INVITE ONE (1) REPRESENTATIVE FROM EACH OF THE FOLLOWING FOUR (4) COLLEGE CONSTITUENCIES, FACULTY, STAFF, STUDENT BODY, AND THE NON-EXECUTIVE ADMINISTRATIVE GROUP TO BECOME EX-OFFICIO MEMBERS OF THE BOARD, (THE "EX-OFFICIO MEMBERS"), ON THE FOLLOWING CONDITIONS:*

*(A) THE EX-OFFICIO MEMBERS WILL HAVE ALL OF THE PRIVILEGES OF THE APPOINTED MEMBERS BUT NONE OF THE OBLIGATIONS AND RESPONSIBILITIES IMPOSED BY THE PROVINCIAL LEGISLATION;*

*(B) THE EX-OFFICIO MEMBERS WILL NOT HAVE A FORMAL VOTE, NOR WILL THEY BE INCLUDED WHEN COUNTING A QUORUM.*

*(C) THE EX-OFFICIO MEMBERS WILL BE SUBJECT TO AND COMPLY WITH THE SAME CONFLICT OF INTEREST REQUIREMENTS OF THE APPOINTED MEMBERS.*

*(D) THE EX-OFFICIO MEMBERS WILL, AS DO THE APPOINTED MEMBERS DO, ADDRESS THE ISSUES BEFORE THE BOARD WITH THE BEST INTERESTS OF THE COMMUNITY AND STUDENTS IN MIND.*

*(E) THE EX-OFFICIO MEMBERS MAY PARTICIPATE ON BOARD COMMITTEES SAVE FOR THE HUMAN RESOURCES COMMITTEE IN THE SAME MANNER AS APPOINTED MEMBERS, BUT WILL NOT BE ASSIGNED THE CHAIR OF ANY SUCH COMMITTEE.*

*(F) THE EX-OFFICIO MEMBERS ARE EXPECTED TO SERVE A MINIMUM OF ONE YEAR AND PREFERABLY FOR THE DURATION OF THIS PILOT PROJECT.*

*(G) THIS PILOT PROJECT WILL COVER THE PERIOD JANUARY 1, 1994 THROUGH JULY 31, 1995. ON OR BEFORE JULY 31, 1995, THE BOARD OF THE DAY WILL DECIDE IF IT WISHES TO CONTINUE OR MODIFY THIS ARRANGEMENT.*

THIS MOTION WAS ADOPTED BY THE BOARD AND HAS BEEN THE BASIS OF OUR PRACTICE SINCE THEN. MEMBERS OF THE CONSTITUENT GROUPS DO SIT ON AND PARTICIPATE FULLY ON ALL BOARD COMMITTEES AND AT ALL BOARD MEETINGS, BE THEY OPEN OR IN CAMERA, SAVE FOR WHEN ISSUES WHICH REPRESENT A CONFLICT OF INTEREST ARE DISCUSSED.

ONE EFFECT IS THAT IN CAMERA MEETINGS HAVE DISAPPEARED ALMOST COMPLETELY, REMAINING ONLY FOR ISSUES SUCH AS LAND ACQUISITION, SOME PERSONNEL MATTERS, AND LABOUR RELATIONS.

THE PRACTICE OF THIS POLICY HAS BEEN MARKED BY THE GOOD GRACE OF ALL PARTIES AT THE TABLE AND THIS HAS SERVED TO GET US OVER DIFFICULTIES ARISING OUT OF A CONFUSION OF CONFIDENTIALITY WITH CONFLICT OF INTEREST.

FOR EXAMPLE: WHEN THE PRESIDENT'S SALARY IS DISCUSSED, THAT IS AN ISSUE WHICH SHOULD BE TREATED IN CONFIDENCE BY ALL PARTIES. BUT, IS IT AN ISSUE WHICH PLACES ANY PARTY IN A CONFLICT OF INTEREST? IF THERE IS A CONFLICT OF INTEREST HERE, I THINK IT IS WITH THE ADMINISTRATIVE REPRESENTATIVE FOR THE ADMINISTRATION

POSSIBLY STANDS TO BENEFIT FROM WHAT THE PRESIDENT'S SALARY IS. TO MY WAY OF THINKING, THERE IS NO CONFLICT FOR STUDENTS, STAFF OR FACULTY. MIND YOU, THESE CONSTITUENT REPRESENTATIVES ARE CLEARLY AS BOUND BY THE PRINCIPLES OF CONFIDENTIALITY AS ARE THE BOARD MEMBERS APPOINTED BY THE GOVERNMENT.

LET ME NOW PROVIDE A QUICK LOOK AT THE NEW LEGISLATION AND THE ATTENDANT CONFLICT OF INTEREST GUIDELINES.

THE BOARD OF GOVERNORS IS NOW CONSTITUTED AS FOLLOWS:

*(A) 8 OR MORE PERSONS APPOINTED BY THE LIEUTENANT GOVERNOR IN COUNCIL,*

*(B) ONE PERSON ON THE FACULTY OF THE INSTITUTION AND ELECTED BY THE FACULTY MEMBERS*

*(C) 2 STUDENTS ELECTED BY THE STUDENTS*

*(D) ONE PERSON WHO IS PART OF THE SUPPORT STAFF AND ELECTED BY THE SUPPORT STAFF,*

*(E) THE PRESIDENT, AND*

*(F) THE CHAIR OF THE EDUCATIONAL COUNCIL.*

OF THESE, ALL BUT THE PRESIDENT AND THE CHAIR OF THE EDUCATIONAL COUNCIL HAVE A VOTE ON THE BOARD.

NOTE THAT ADMINISTRATION IS NOT GIVEN ANY REPRESENTATION ON THE NEW BILL 22 BOARD. IN THE FACE OF THIS, OUR OLD BOARD HAS ALREADY DECLARED THAT IT INTENDS TO CONSIDER A POLICY BY WHICH A NON-EXECUTIVE ADMINISTRATOR IS BROUGHT TO THE BOARD TABLE UNDER OUR OLD POLICY ARRANGEMENTS.

THE TERM OF OFFICE FOR FACULTY AND STAFF IS THREE YEARS, FOR STUDENTS IT IS ONE YEAR, AND FOR GOVERNMENT APPOINTEES NO REFERENCE TO TERM IS MADE IN THE LEGISLATION. RECENT PRACTICE IS FOR TERMS TO BE ONE YEAR, FOLLOWED BY A TWO YEAR TERM IF REAPPOINTED, FOLLOWED BY A THREE YEAR TERM IF REAPPOINTED AGAIN. RECENT PRACTICE MAKES IT RARE FOR A BOARD MEMBER TO BE ON A BOARD FOR MORE THAN SIX CONSECUTIVE YEARS.

GOVERNMENT APPOINTEES AND STUDENT MEMBERS MAY RECEIVE REMUNERATION FOR THEIR SERVICES AS SET BY THE LIEUTENANT GOVERNOR IN COUNCIL; BOARD MEMBERS WHO ARE EMPLOYEES OF THE COLLEGE WILL RECEIVE NO REMUNERATION.

THE COLLEGE'S REGISTRAR IS OBLIGED BY THE LEGISLATION TO CONDUCT THE ELECTIONS FOR THE BOARD AND FOR THE EDUCATIONAL COUNCIL, A NEW PIECE OF ORGANISATIONAL STRUCTURE.

BILL 22 MAKES IT MANDATORY FOR ALL COLLEGES TO HAVE AN EDUCATIONAL COUNCIL. THE COMPOSITION OF THE INITIAL COUNCIL IS AS FOLLOWS, PROVIDING FOR TWENTY VOTING MEMBERS:

*(A) 10 MUST BE FACULTY MEMBERS ELECTED BY THE FACULTY MEMBERS;*

*(B) 4 MUST BE STUDENTS ELECTED BY THE STUDENTS;*

*(C) 4 MUST BE EDUCATIONAL ADMINISTRATORS APPOINTED BY THE PRESIDENT;*

*(D) 2 MUST BE SUPPORT STAFF ELECTED BY THE SUPPORT STAFF.*

*THE PRESIDENT IS A NON-VOTING MEMBER OF THE EDUCATION*

*COUNCIL AND THE GOVERNING BOARD MAY APPOINT ONE PERSON TO BE A NON-VOTING MEMBER OF THE COUNCIL.*

*THE CHAIR OF THE EDUCATIONAL COUNCIL IS ELECTED EACH YEAR BY AND FROM THE VOTING MEMBERS OF THE COUNCIL.*

THE "ACT" SPECIFIES HOW THE NUMBER OF VOTING MEMBERS MAY SUBSEQUENTLY BE INCREASED OR DECREASED.

TERMS OF OFFICE ARE TWO YEARS FOR ALL BUT THE STUDENTS; STUDENTS ARE ELECTED FOR ONE YEAR TERMS. APPOINTMENTS OR ELECTIONS TO FURTHER TERMS ARE POSSIBLE FOR ALL WITHOUT RESTRICTION.

UNDER THIS LEGISLATION, THE GOVERNING BOARD'S HISTORICAL AUTHORITY IS AMENDED AS FOLLOWS.

FIRST, THERE ARE FIFTEEN MATTERS SPECIFIED IN THE LEGISLATION ON WHICH BEFORE THE BOARD ACTS IT MUST SEEK THE ADVICE OF THE COUNCIL AND ON WHICH THE EDUCATIONAL COUNCIL MUST ADVISE THE BOARD. THIS IS THE ADVISORY ROLE OF THE EDUCATIONAL COUNCIL.

SECOND, THERE ARE SIX ZONES OF POLICY MAKING AND DECISION MAKING WHICH, HERETOFORE RESIDED WITH THE GOVERNING BOARD, NOW REST WITH THE EDUCATIONAL COUNCILS. THESE ARE WORTH NOTING FOR THE COUNCIL HAS THE POWER AND DUTY TO:

*(A) SET POLICIES CONCERNING EXAMINATIONS AND EVALUATION OF STUDENT PERFORMANCE.*

*(B) SET POLICIES CONCERNING STUDENT WITHDRAWAL FROM COURSES, PROGRAMS AND THE INSTITUTION,*

*(C) SET CRITERIA FOR ACADEMIC STANDING, ACADEMIC STANDARDS AND THE GRADING SYSTEM,*

*(D) SET CRITERIA FOR AWARDS RECOGNIZING ACADEMIC EXCELLENCE,*

*(E) SET POLICIES AND PROCEDURES FOR APPEALS BY STUDENTS ON ACADEMIC MATTERS AND ESTABLISH A FINAL APPEAL TRIBUNAL FOR THESE APPEALS, AND*

*(F) SET CURRICULUM CONTENT FOR COURSES LEADING TO CERTIFICATES, DIPLOMAS OR DEGREES.*

THIRD, THERE ARE A FEW MATTERS WHICH REQUIRE THE JOINT APPROVAL OF THE GOVERNING BOARD AND THE EDUCATIONAL COUNCIL. CHIEF AMONG THESE ARE TRANSFER ISSUES BETWEEN INSTITUTIONS AND WITHIN THE VARIOUS PARTS OF EACH INSTITUTION.

AND WHAT ABOUT THE CONTENTIOUS ISSUE OF CONFLICT OF INTEREST GUIDELINES.

IN MY OPINION, THESE GUIDELINES ARE STRAIGHTFORWARD AND CONVENTIONAL SAVE FOR ONE SENTENCE IN THE OPENING PARAGRAPH UNDER THE HEADING OF "CONFLICT OF INTEREST." THE SENTENCE IS:

*EACH MEMBER, REGARDLESS OF HOW HE OR SHE BECOMES A MEMBER, HAS A RESPONSIBILITY FIRST AND FOREMOST TO THE*

*WELFARE OF THE INSTITUTION AND MUST FUNCTION PRIMARILY AS A MEMBER OF THE BOARD, NOT AS A MEMBER OF ANY PARTICULAR CONSTITUENCY.*

SO, THIS IS HOW, IN WHAT I HOPE IS NOT TOO SKETCHY AN OVERVIEW, AT THE END OF A TWO YEAR PROCESS THE GOVERNANCE STRUCTURES OF THE COMMUNITY COLLEGES IN BRITISH COLUMBIA CANADA HAVE COME TO BE ALTERED.

NOW WE MUST WAIT TO SEE HOW THE PARTIES WILL RESPOND TO THE CHANGED LEGISLATION, TO SEE IF IT IS THE LETTER OF THE LAW THAT IS CARRIED OUT OR IF THE SPIRIT OF THE LEGISLATION WILL PREVAIL.

IT IS MY CONVICTION THAT FOR OUR COLLEGE AND INSTITUTE SYSTEM TO LAUNCH THE SECOND CURVE, BOARDS MUST ALTER THEIR GOVERNANCE PRACTICES AND MANAGEMENT MUST ENGAGE IN THE BEST PRACTICES OF PARTICIPATIVE MANAGEMENT. AND IT IS MY CONVICTION THAT IF WE DO NOT LAUNCH THAT SECOND CURVE, WE WILL GO OVER THE TOP OF THE FIRST CURVE AND QUICKLY BECOME SECOND CLASS INSTITUTIONS. IN OUR PLACE, THE PRIVATE INSTITUTIONS WILL DELIVER THE INSTRUCTION OUR SOCIETY NEEDS AND WANTS.

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